

# Microsoft Studios

Building a movie studio for the future by the future



Microsoft  
Studios

# Business Objectives

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Make data-driven recommendations to set Microsoft Studios up for success:

1. Determine baseline production budget
2. Understand competitive and benchmark landscape
3. Propose launch timing
4. Show Genre Efficiency to optimize genre assortment

# Data Sources



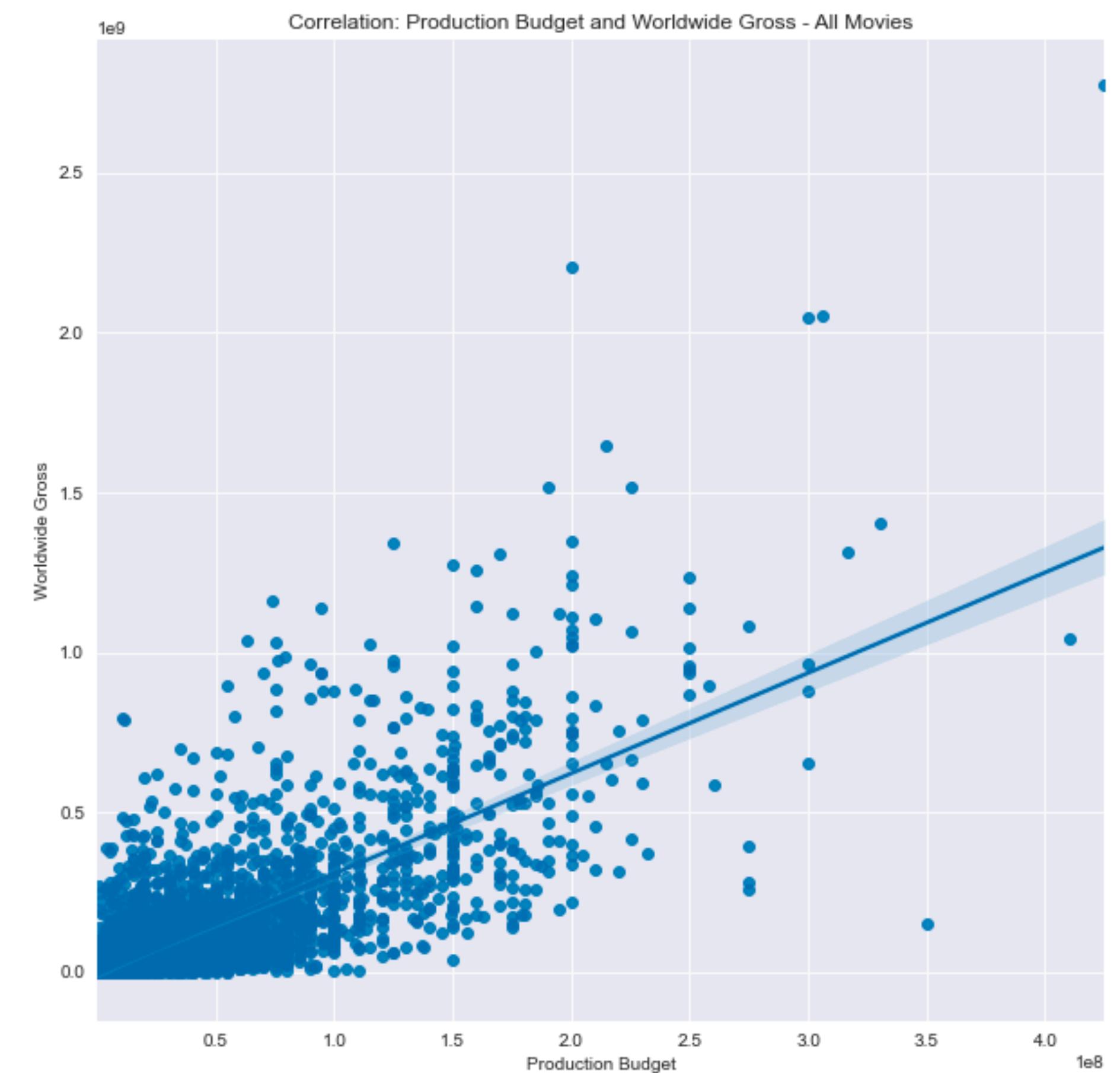
Production Budget, Worldwide  
Gross, Release Dates (1915-2019)



Studio Data (172 Studios)



Genres, Box Office (99 Genres)



# Methodology

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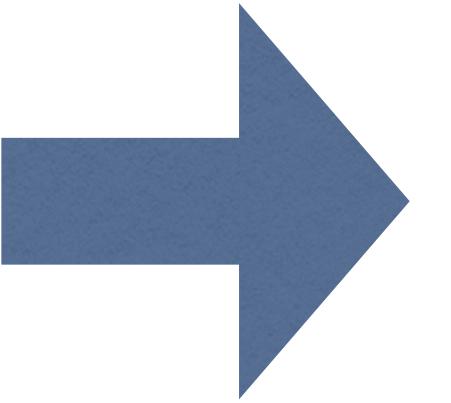
## Analyze

years: 1915-2019

5234 movies

99 genres

172 Studios

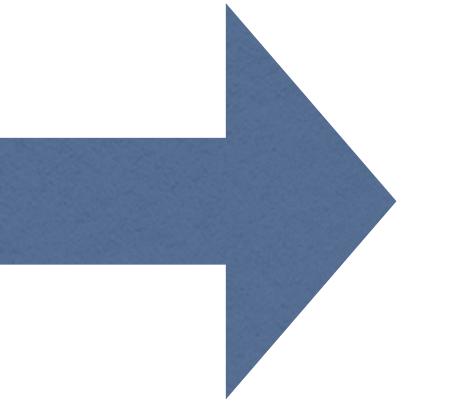


## Focus

years: 1998-2018

10 genres

5 Studios



## Recommend

budget

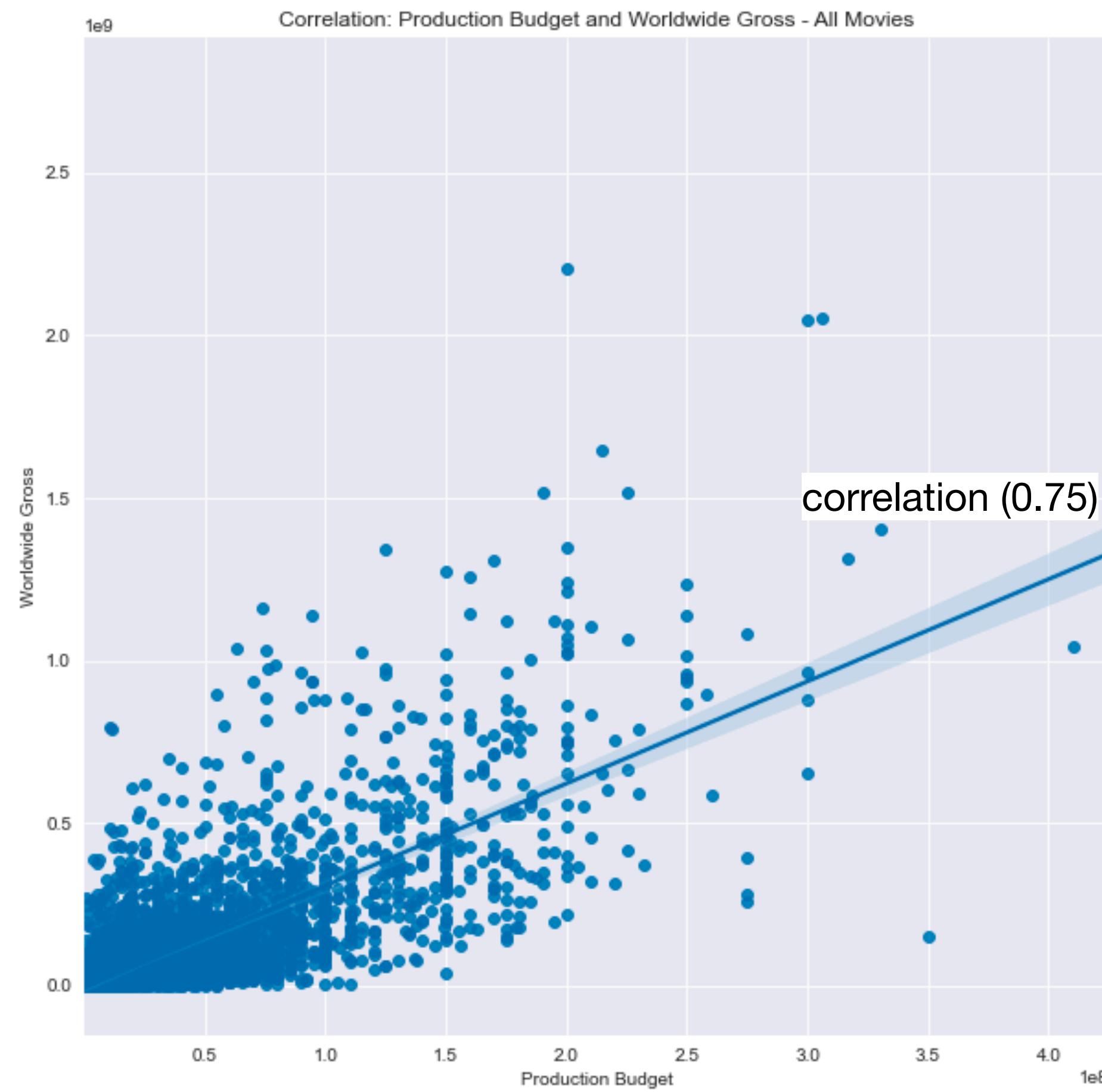
launch timing

genre assortment

# Business Objective #1 - Baseline Budget

**Recommended Budget**

**\$30MM - \$35MM**



- Strong **correlation (0.75)** between Production Budget and Worldwide Gross for all movies
- Average Production Budget **\$34,033,480**
- Average Worldwide Gross **\$100,761,506**

# Business Objective #2 - Competitive & Benchmark Landscape



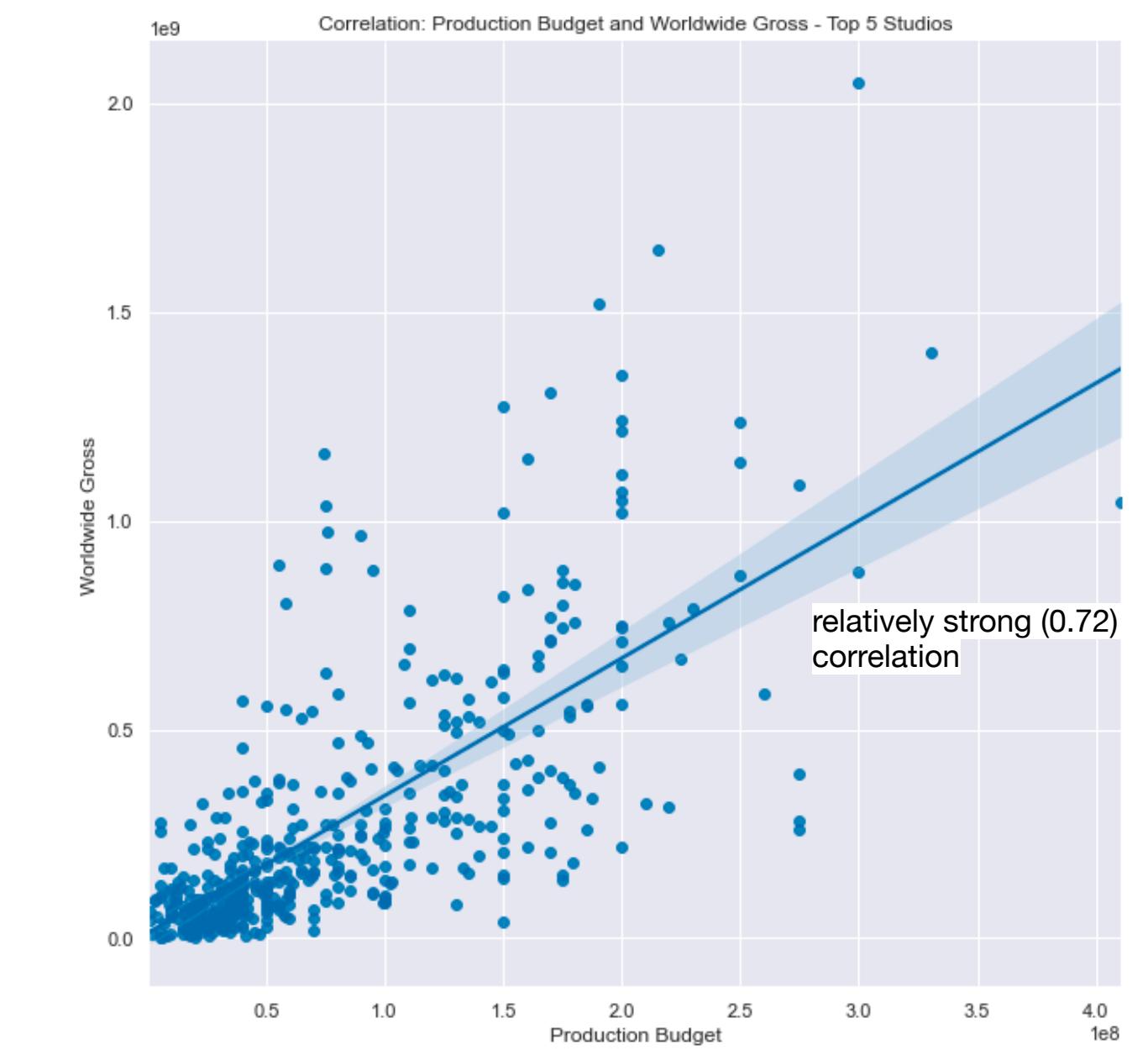
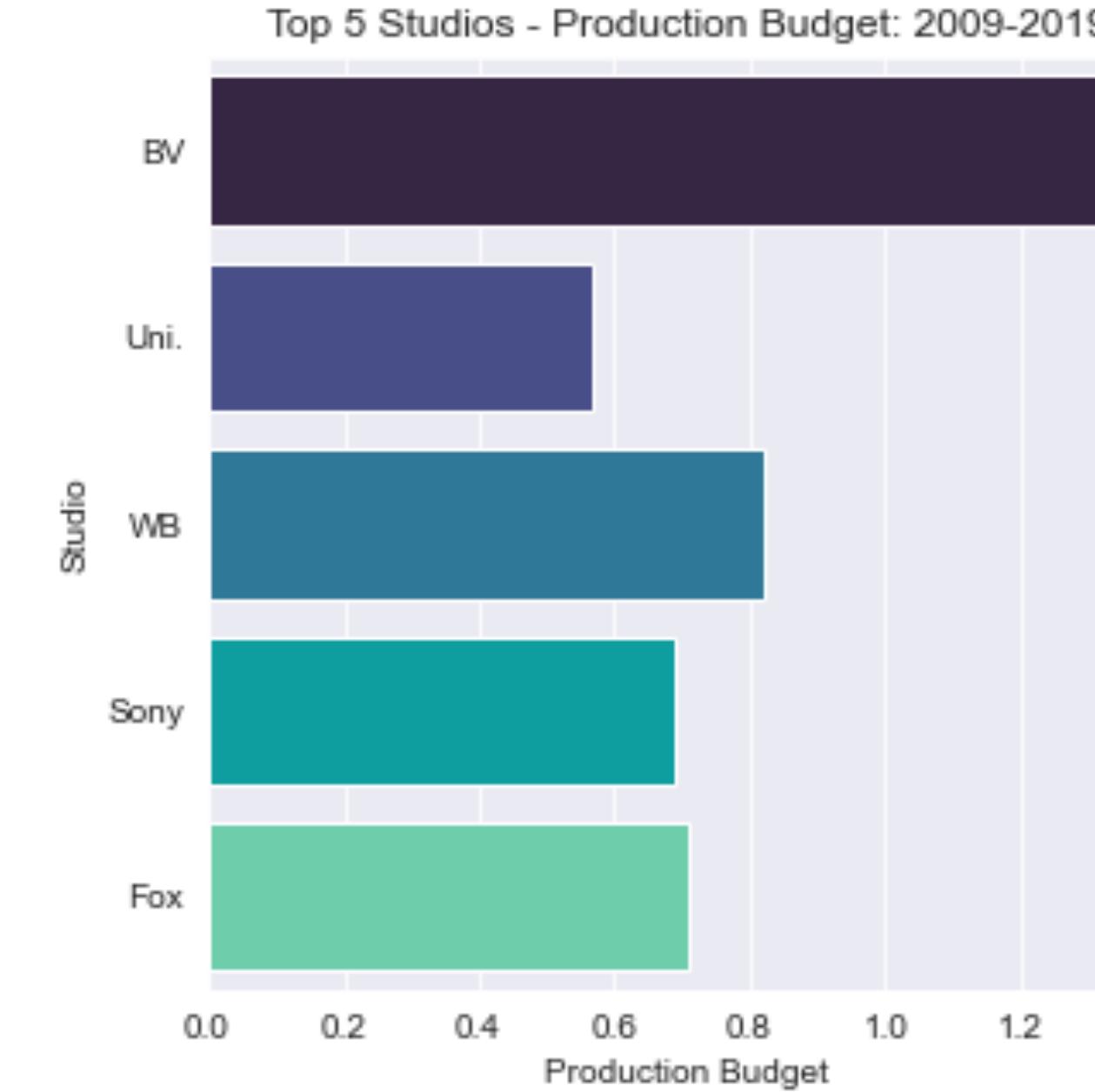
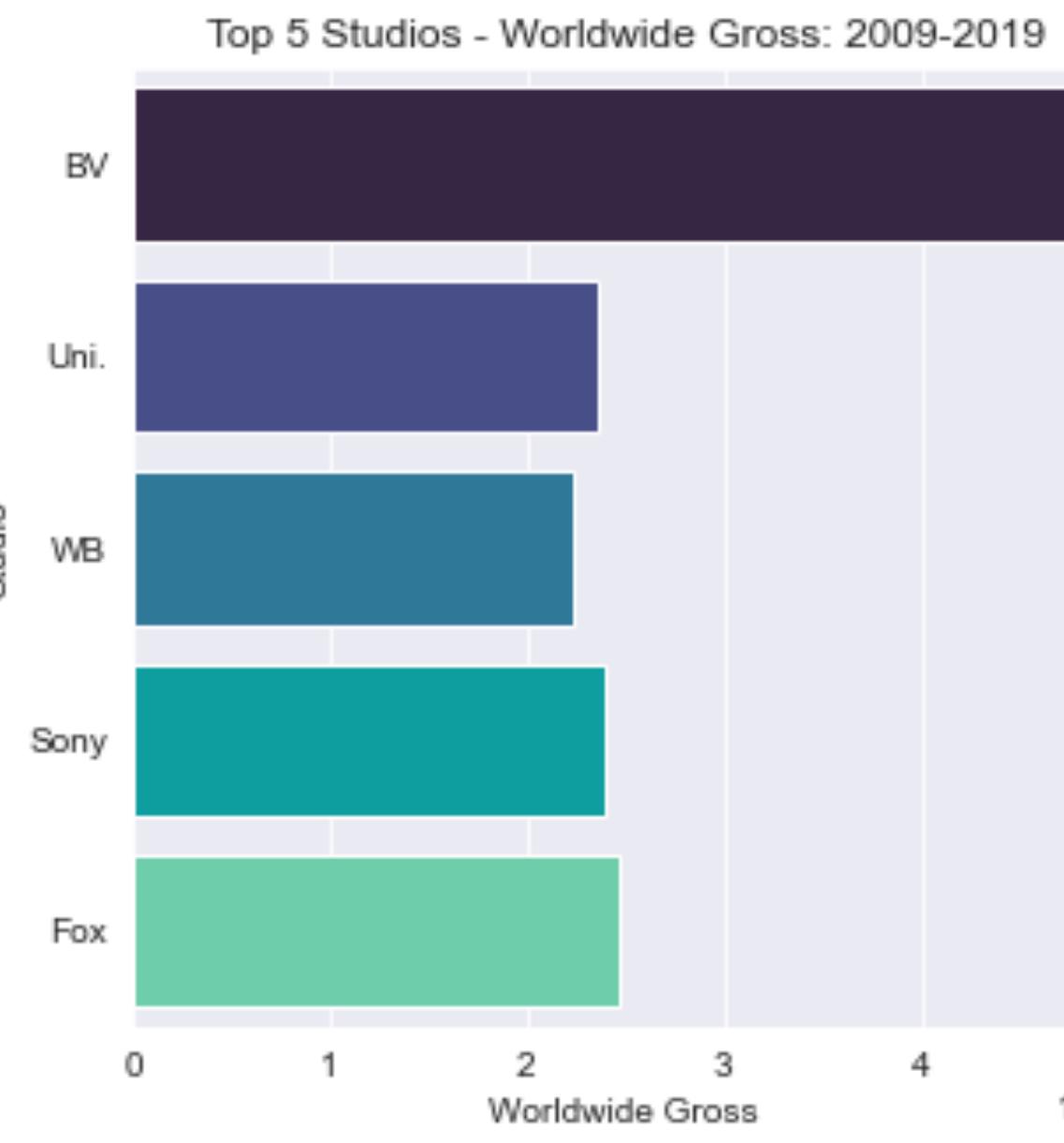
Use top five studios as the benchmark landscape



Analyze "Studio Efficiency" metrics and genre assortment to set Microsoft apart



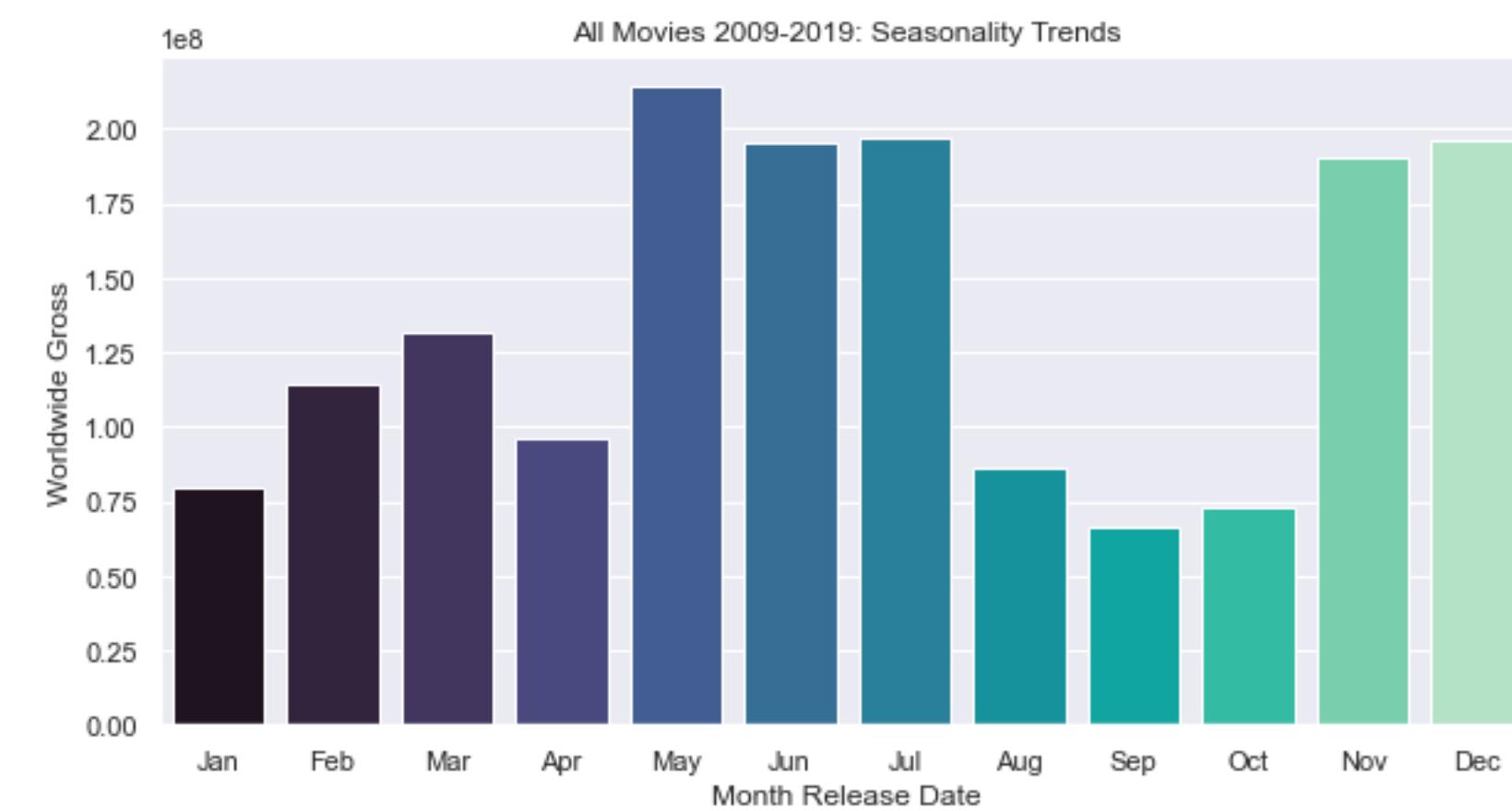
Studio



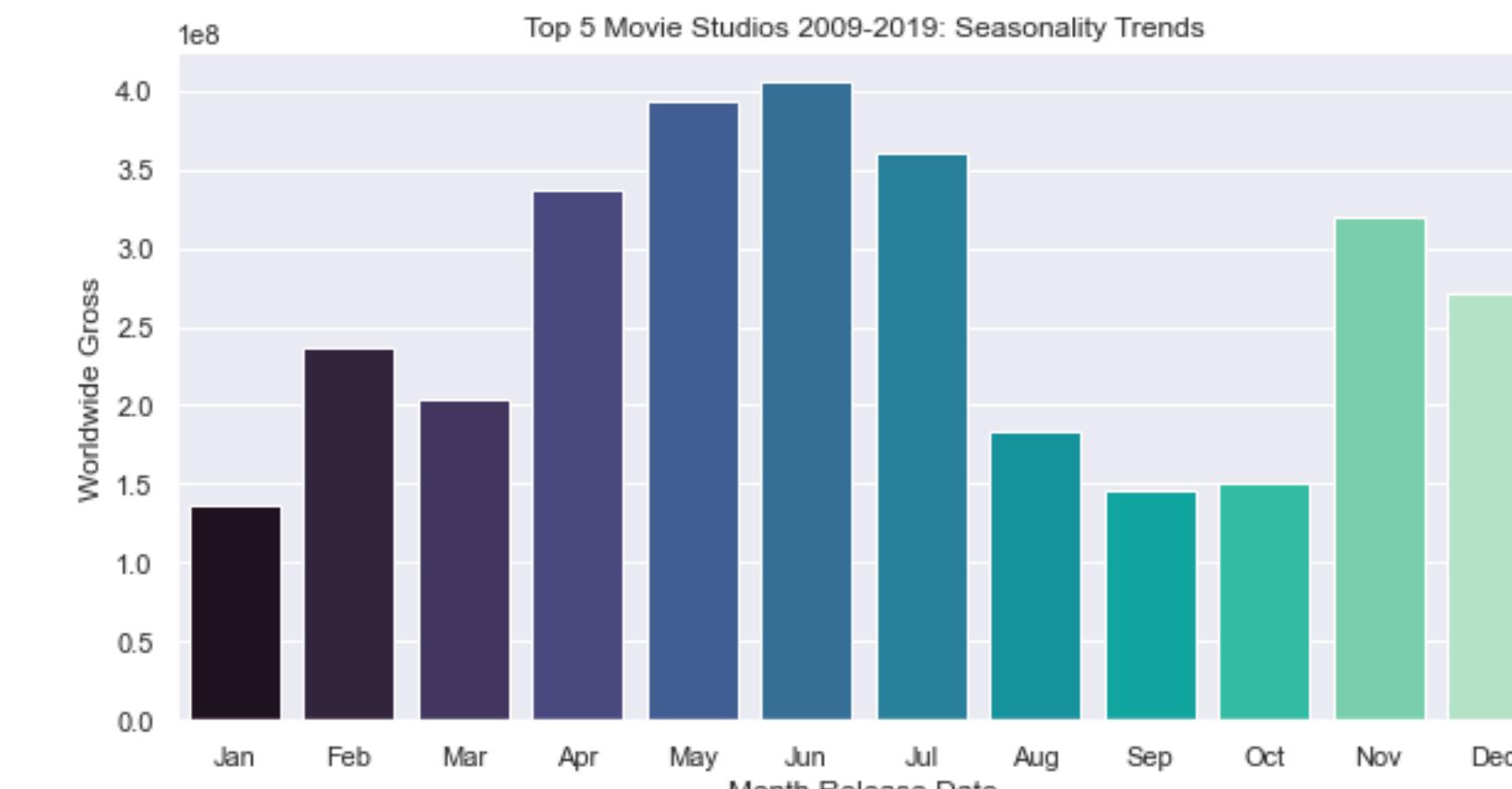
Source: 1. The Numbers, 2. Box Office Mojo Database

# Business Objective #3 - Launch Timing

- Movies are released and gross the highest in Summer (May-July) and Holiday (Nov-Dec) months — this trend is more pronounced when looking at the top five studios
- While there is appeal in launching during the most popular months, there is an opportunity to **capture "off" months while other studios are less active**



All Movies

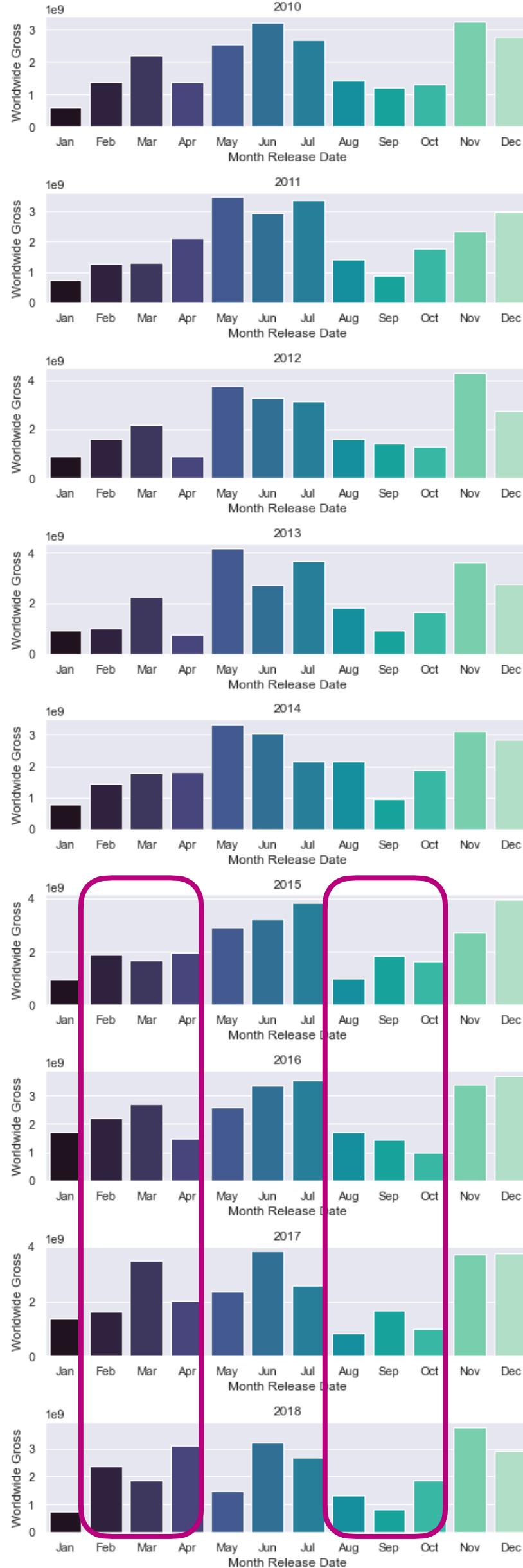


Top 5 Studios

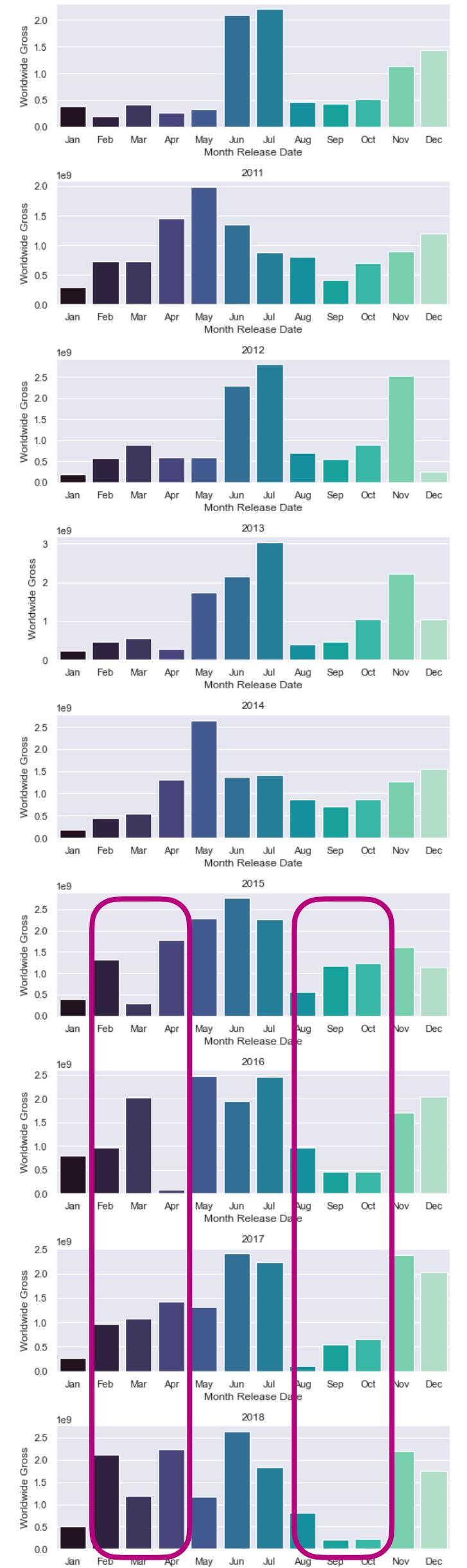
The top five studios have consistent strong worldwide gross in Q2 (the summer months), and in more recent years (2016-2018) has had more sales in Q1 and Q4 vs. previous years

Capture the off months!

All Movies

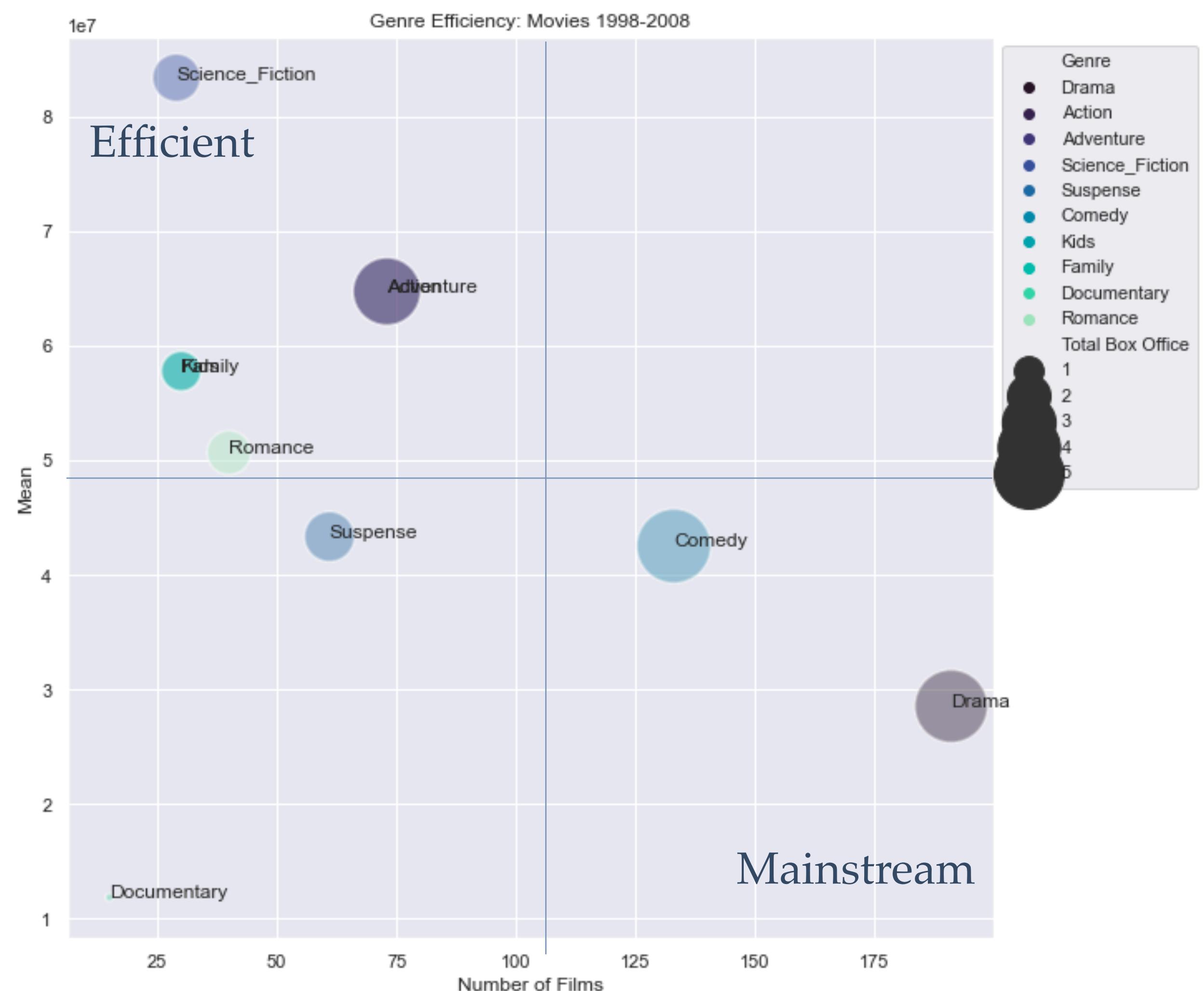


Top 5



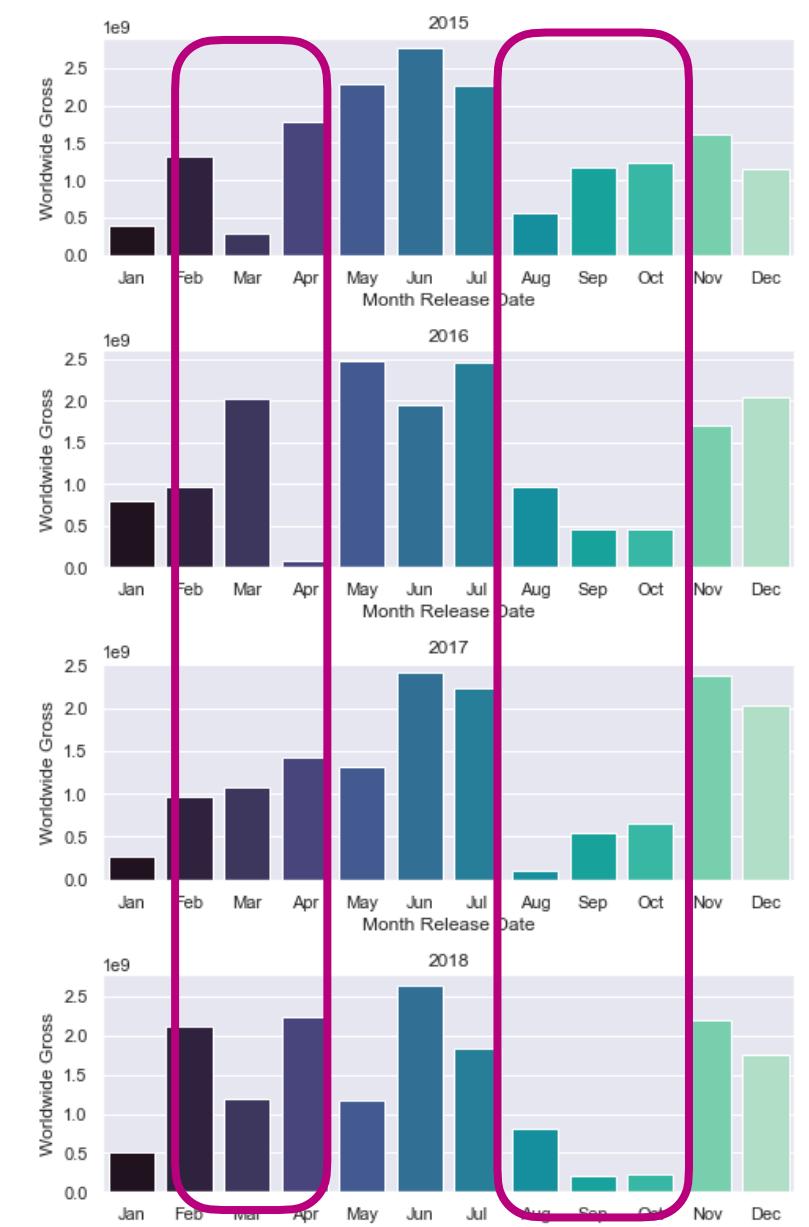
# Business Objective #4 - Genre Assortment

- Comedy has highest box office sales in the last 20 years with 133 films
- Drama has the highest number of films
- Science Fiction is the "most efficient" genre
- We recommend a healthy assortment of films in "mainstream" genres (Comedy, Drama), "efficient" genres (Science Fiction, Romance) and of course, Action & Adventure!
- Consider launching with Science Fiction, Romance, or Action & Adventure



# Summary of Recommendations

- Plan for Production Budget of \$30MM - \$35MM per film
- Launch outside of competitive months
- Launch with a mixture of "mainstream" genres (Drama, Comedy) and "efficient" genres (Science Fiction, Romance)
- Determine Microsoft's Studios goals (studio brand identity, short and long term fiscal goals, etc.)



# Future Work

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- Determine how/if ratings impact performance
- Model future trends for genres -> Discover/create "new" genres
- Build long term movie launch strategy (type/genre by month)
- Explore other movie consumption formats (streaming)
- Analyze Franchise movie data



**THANK YOU!!**

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*Wednesday, August 25th, 2021*

# Further Considerations

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- Several areas of opportunity to dig deeper.
- Launch timing - understanding studio production budget and gross through the years (early to more mature years)
- Determine when studios reach a point of "maturity"
- Note: we did not perform a "return on investment" analysis because there are a lot of factors we'd like to consider outside of Worldwide Gross-Production Budget
- Gain deeper understanding and learn from efficient and / or esoteric studios and genres

# Future Work

Model future trends for genres -> Discover / create "new" genres

